

A close-up photograph of a woman's face, showing her eyes and part of her nose and mouth. The image is split vertically: the left side is dark blue, and the right side is a lighter blue with white topographic contour lines. The text is overlaid on this background.

ACCELERATING TRANSFORMATION

Investor update

September 20, 2018

Magnus Ahlqvist
President and CEO

Bart Adam
CFO

Martin Althén
CIO





TODAY'S AGENDA

A strong foundation

Driving long term value through
our transformation strategy

Break

Delivering 2020 and shaping
the future strategy

Accelerating transformation
through Intelligent Security

Q&A and conclusion

This is a good industry to be in...

Economic prosperity



Good growth prospects

Increasing emphasis on security and safety



Technology



Innovation opportunity

Data and information



...and we are the leading player

A hand holding a smartphone, with the screen displaying the "listacm" logo and some text. The background is a blurred server room with blue lighting and a sign that says "SECURITAS" and "Digital CCTV".

Customers

Our current
offering and
position

People and
teams

We have a strong, loyal customer base with significant growth opportunities

150,000^{*}
customers

140
Global
customers

92%
retention rate

* Excluding monitoring only customers

We have leading market positions

NORTH AMERICA
#2 position

EUROPE
#1 position

We are the
no 1
security services
provider

LATIN AMERICA
#2 position

AMEA
Growing presence

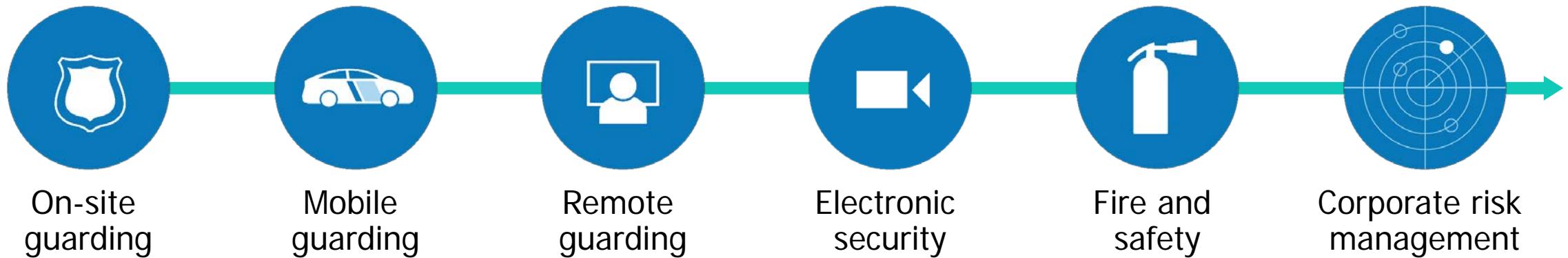
58
markets

345,000
employees

THE POWER OF PRESENCE

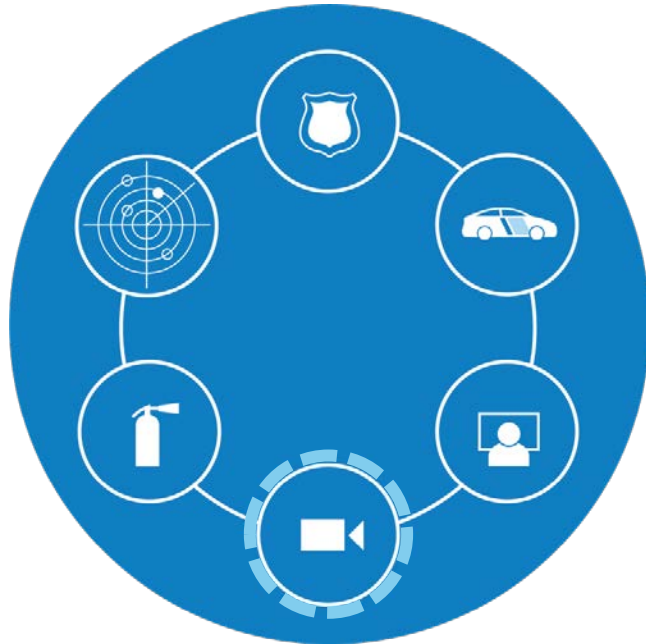
Since 2013, we have extended our offering from on-site guarding to protective services...

PROTECTIVE SERVICES



8% solutions 2013 → 20% solutions 2018

**...with a special focus on developing
electronic security**



Combining protective services in
a packaged offering = security solutions



...and state of the art operations centers



44

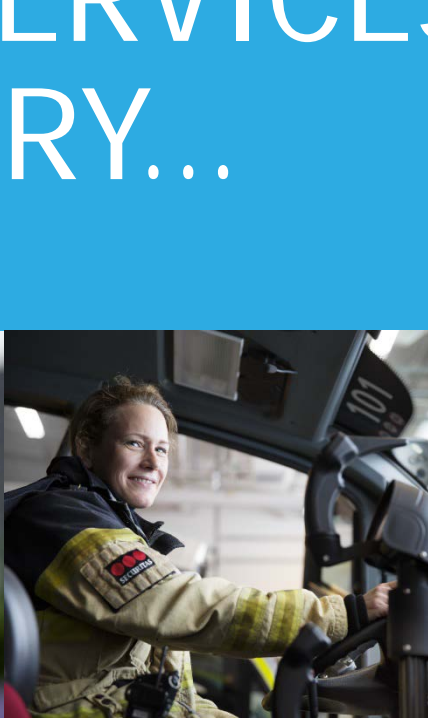
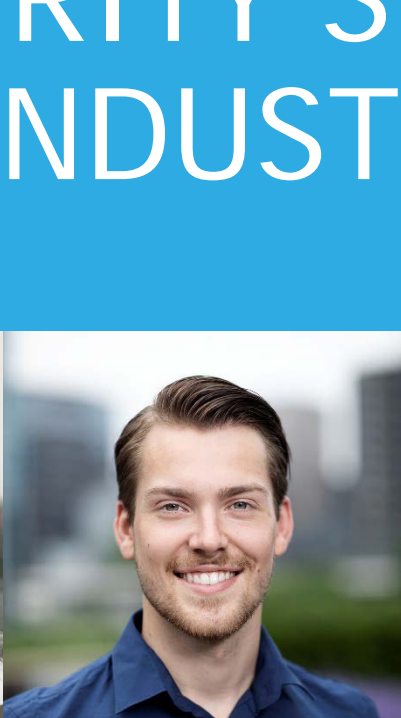
OPERATION CENTERS

738,000

CUSTOMER CONNECTIONS



THE BEST TEAM IN THE SECURITY SERVICES INDUSTRY...



Our strength is built on our guarding people and culture



OUR VALUES

Integrity | Vigilance | Helpfulness

SECURITAS WAY OF WORKING

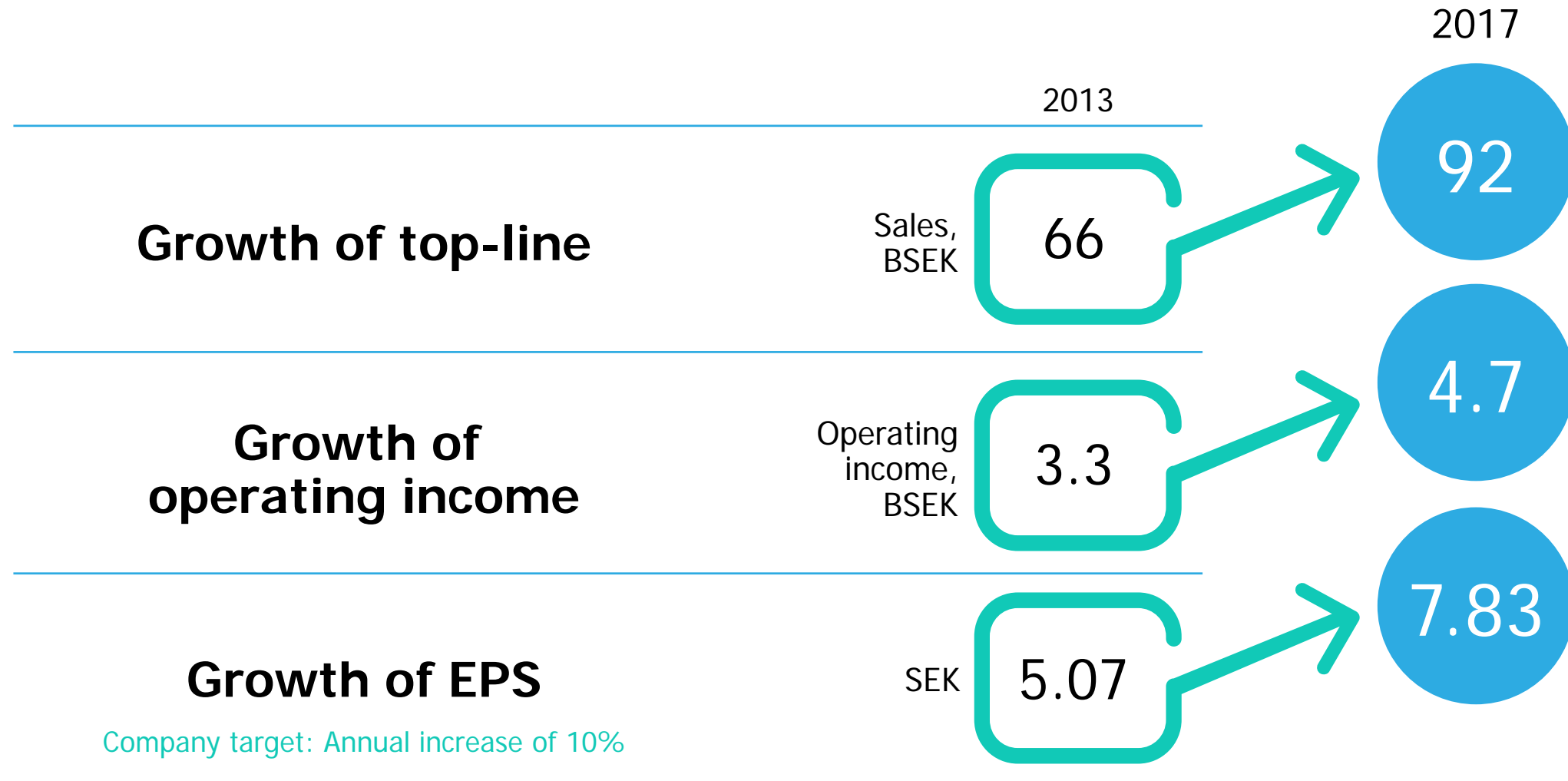
Securitas
Toolbox



ETHICS AND COMPLIANCE

- Values and Ethics code
- Integrity line
- Sustainability reporting, GRI
- UN Global compact

We have a good track record of delivering value creation



....and we have a strong platform for future growth



Leader in Intelligent Services
Data-driven innovation

Leader in Protective services
Integration of solutions

Leader in Security services
Guarding and security capability

1990 onwards

2015 onwards

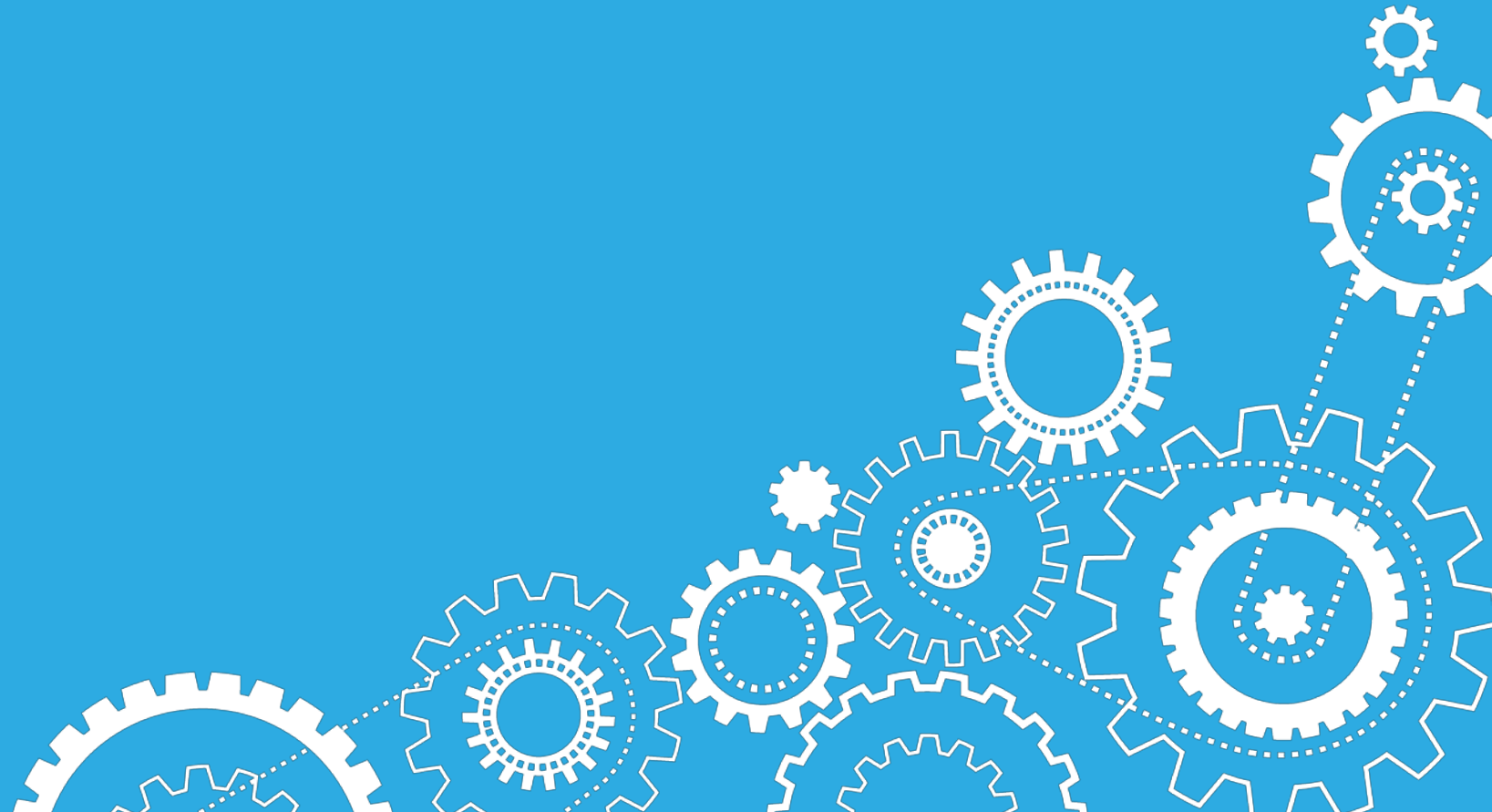
2020 and beyond



Driving long term value through our transformation strategy

Bart Adam

CFO



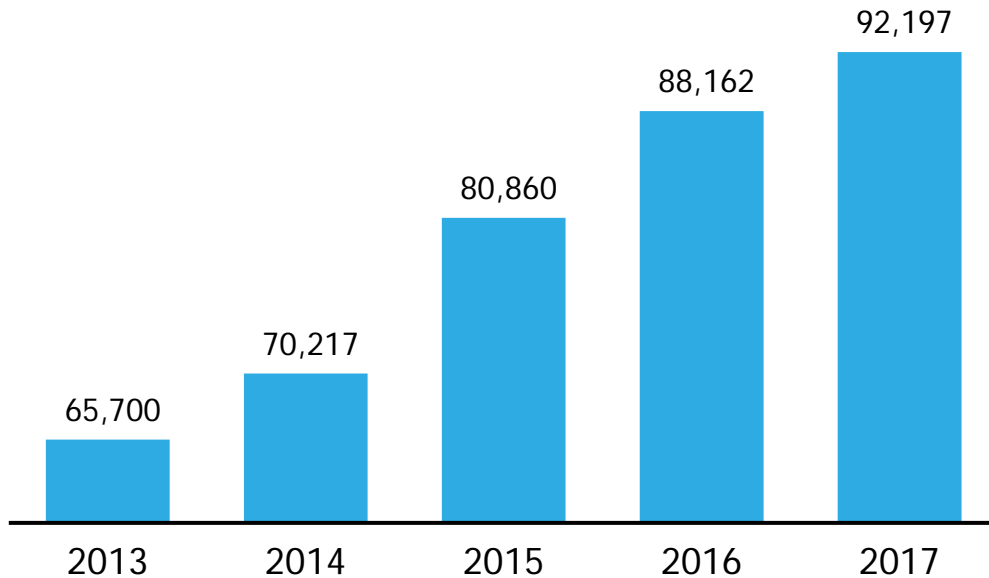
Clearly defined goals to drive long term shareholder value



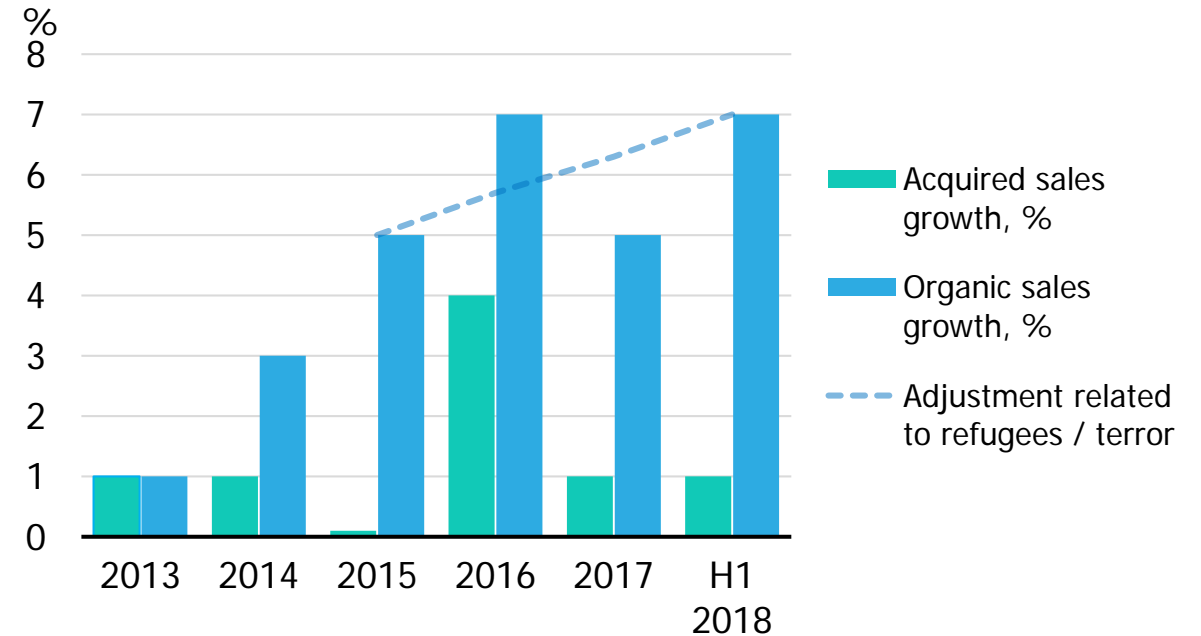
			2013	2014	2015	2016	2017
Income statement	1. Financial performance target Annual average increase in EPS of 10%	EPS real change	27%	8%	8%	9%	9%
Balance sheet	2. Financial stability target Free cash flow to net debt at least 0.20	Free cash flow to net debt	0.22	0.18	0.22	0.13	0.19
		Net debt to EBITDA	2.2	2.3	1.9	2.4	2.1
Return to shareholders	3. Dividend policy 50 to 60% of net income	Dividend in SEK	3.00	3.00	3.50	3.75	4.00
		As % of net income	59%	53%	52%	52%	53%
Growth strategy	4. Strategic development Accelerate growth in security solutions and electronic security	Growth of SS&ES (organic + acquired)	-	28%	38%	56%	19%

We have accelerated sales growth based on our strategic implementation...

Total sales



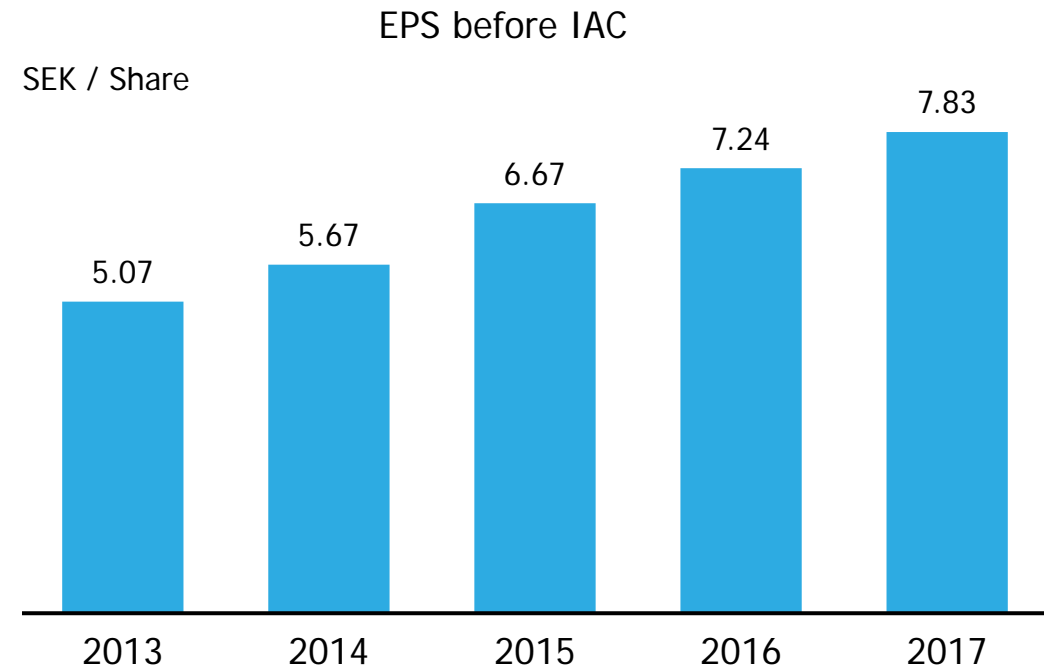
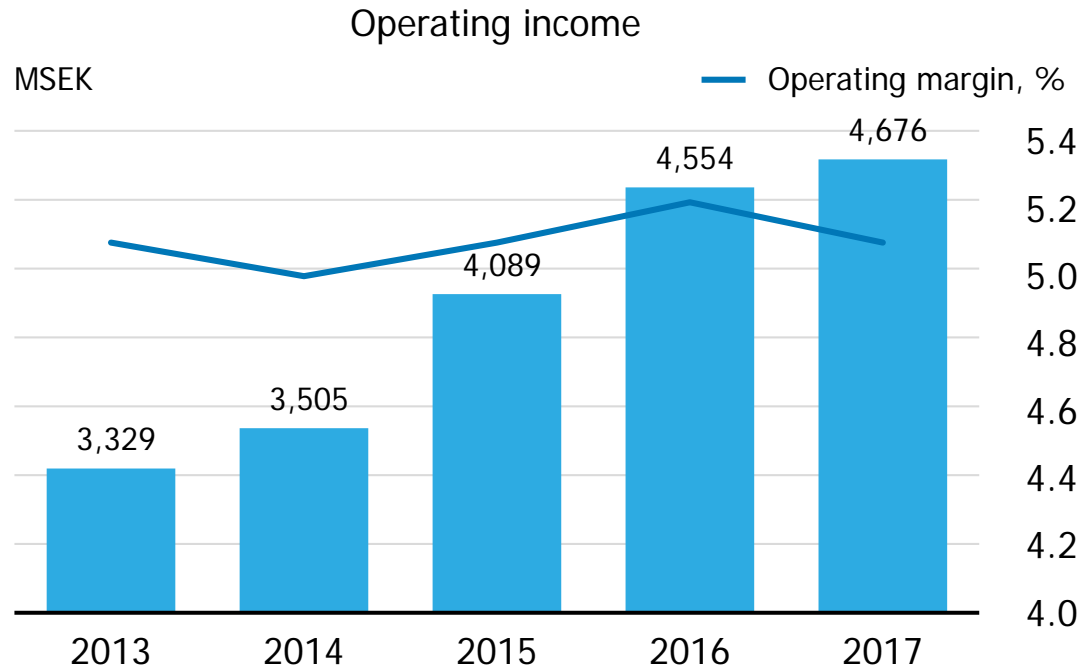
Sales growth



Average
2013-2017

Organic growth	4.2	Strategic implementation gained speed with a positive effect on the on-site guarding.
Acquired growth	1.4	Mostly technology acquisitions enhancing our capabilities.

...delivering increased operating income with stable margins, and sustainable EPS growth



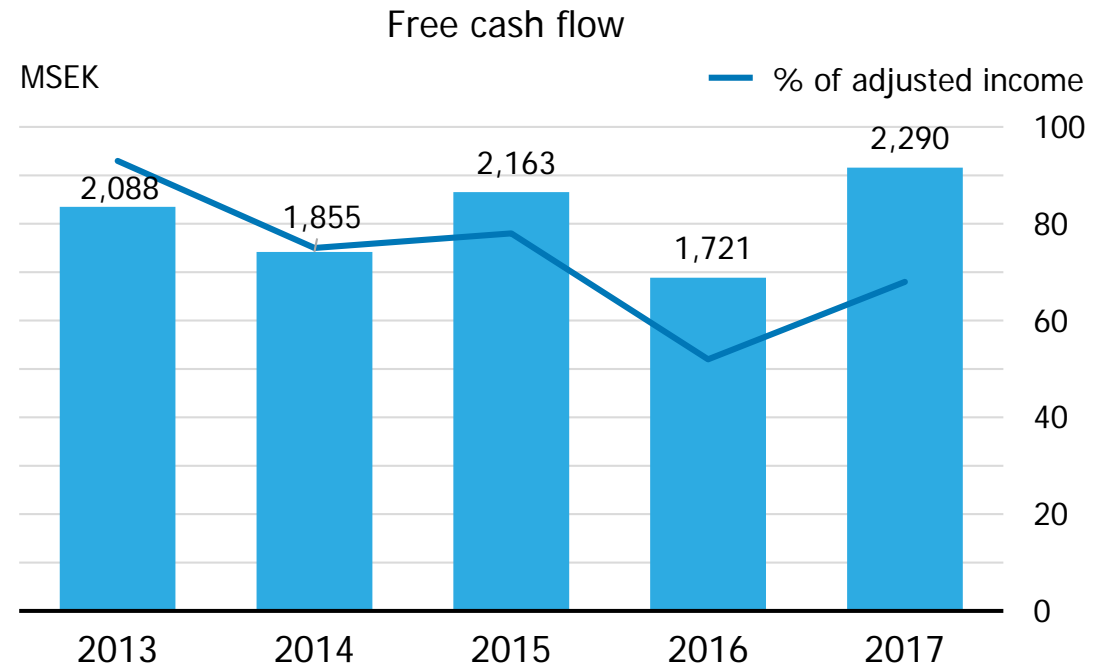
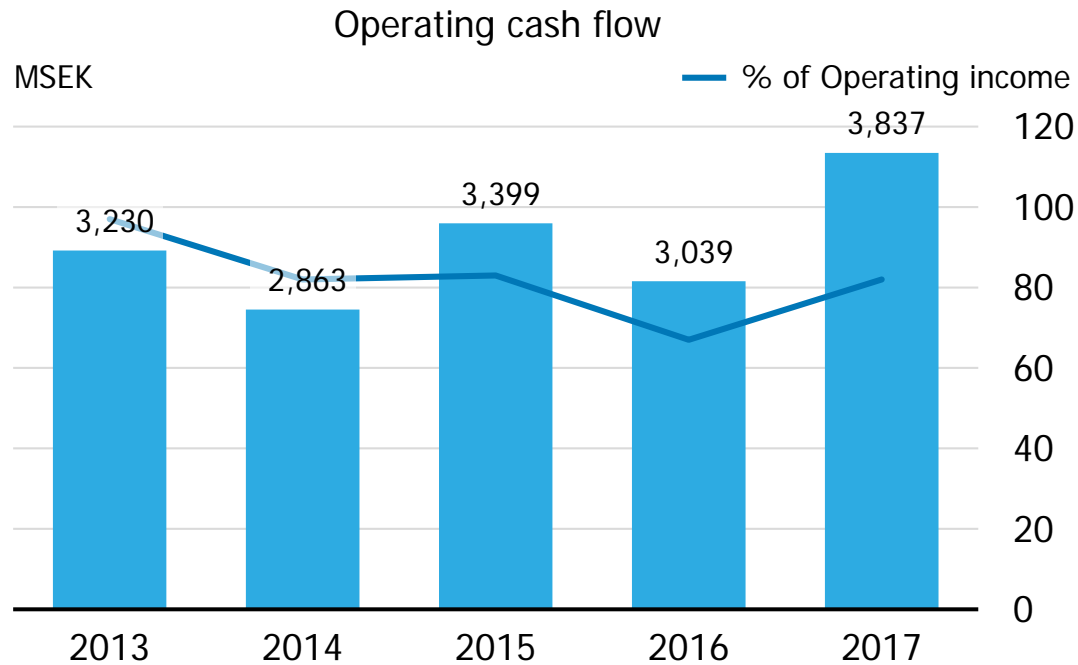
Different dynamics in different divisions

- SSNA OPM growth (from 5.1 to 5.9)
- SSEU OPM pressure (measures announced at Q2 2018 related to cost development)
- SSIA OPM suffering in Spain reversed

EPS real change

2013	2014	2015	2016	2017
27%	8%	8%	9%	9%

We have delivered good cash flow...



Average
2013-2017

Operating cash flow as
of operating income

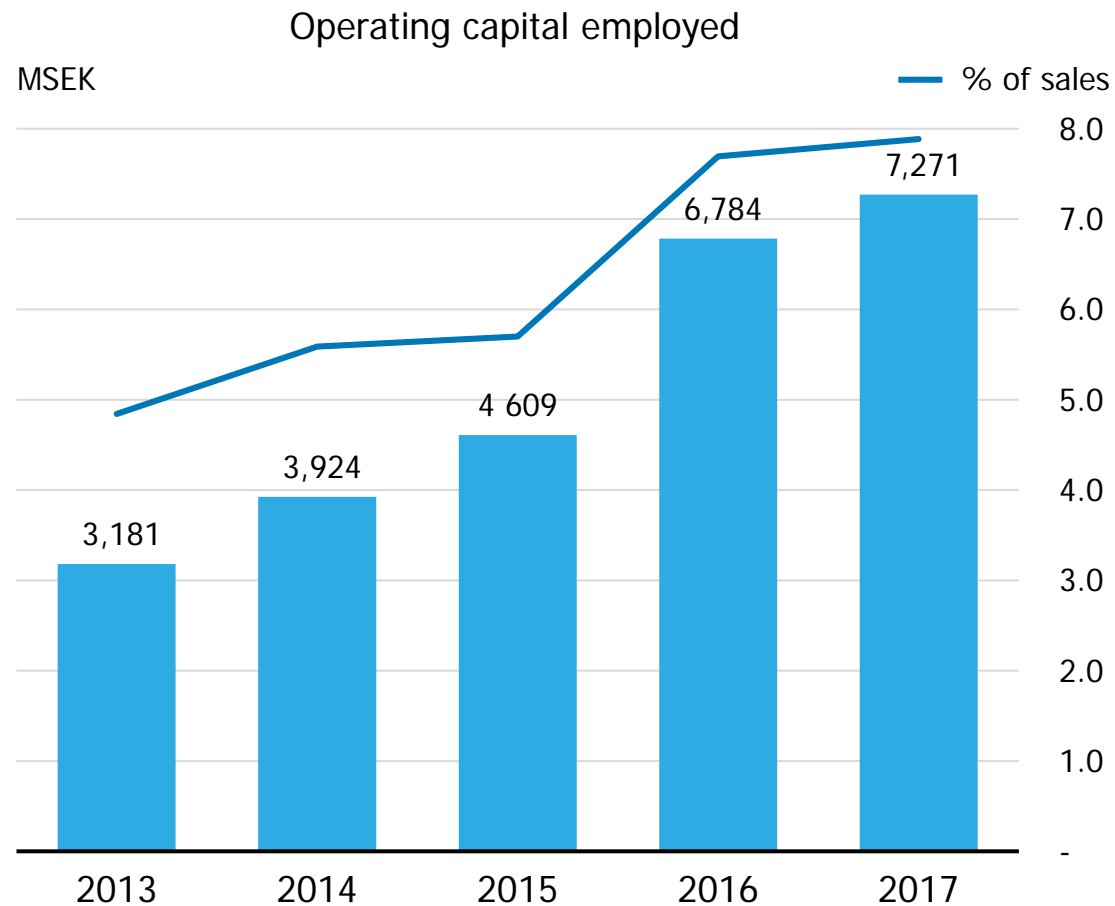
82%

Free cash flow as of
adjusted income

73%

- Throughout good cash flow
- Organic growth requires cash together with investments into the strategy

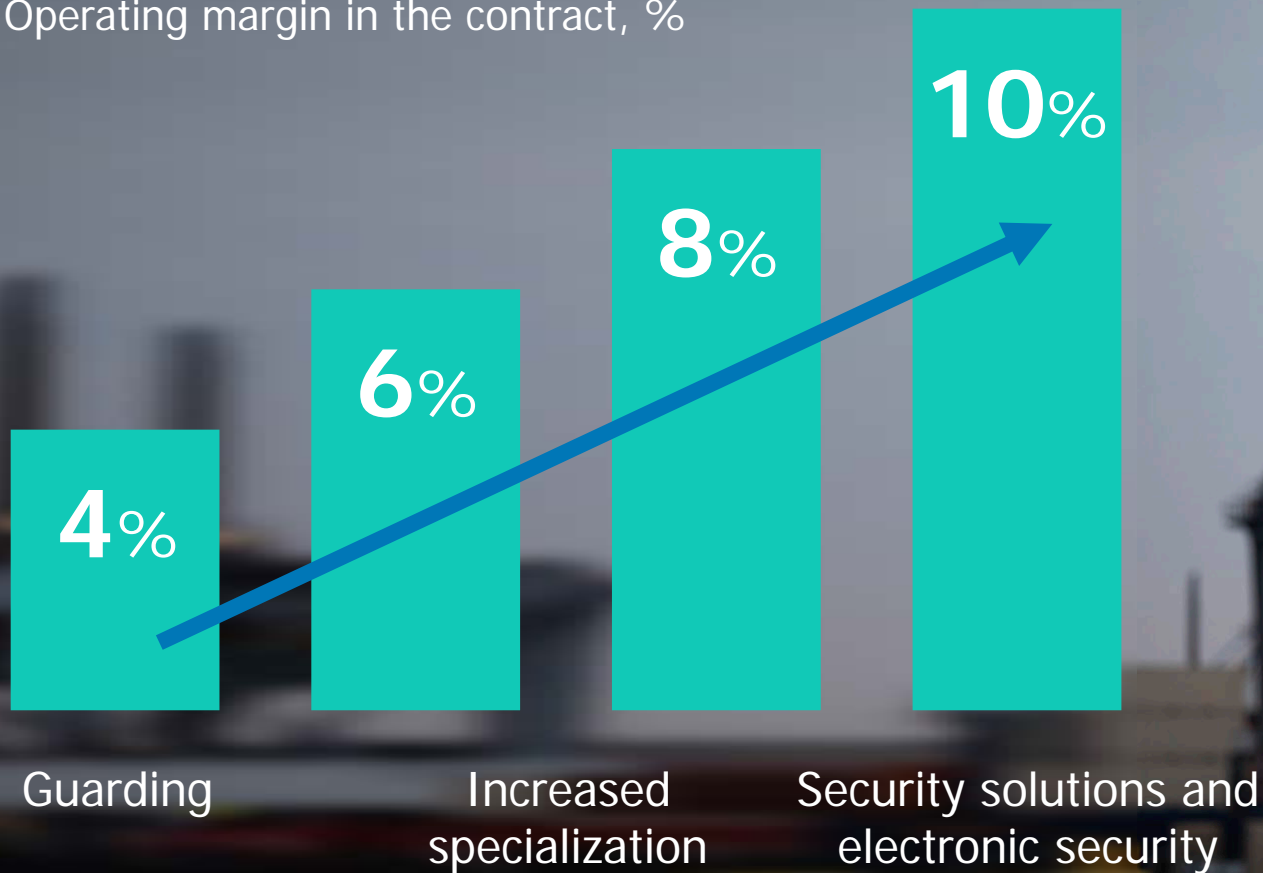
...while investing in our transformation



Development 2013 – 2017	Effect as % of group sales
Equipment for solution contracts Growth of electronic security business	1.4 Strategy
Strong growth in “low employee related accrual countries”, combined with increased organic growth during the period	0.9 Growth
Net defined benefit obligations reduced because of active management	0.4 DBO
Reduced deferred tax assets offset by few other items	–
Pressure on customer payment terms offset by DSO process improvement initiatives	–
As of 2018: increase from IFRS 15, that is activation of paid out sales commissions	0.3 IFRS 15
As of 2019: increase from IFRS 16, effects not quantified yet; EBITDA, operating cash-flow, free cashflow and net debt also impacted	TBO IFRS 16

Our strategy implementation has been successful...

Operating margin in the contract, %



Guarding – Sales, BSEK

2013: 60.7 → 2017: 75.5

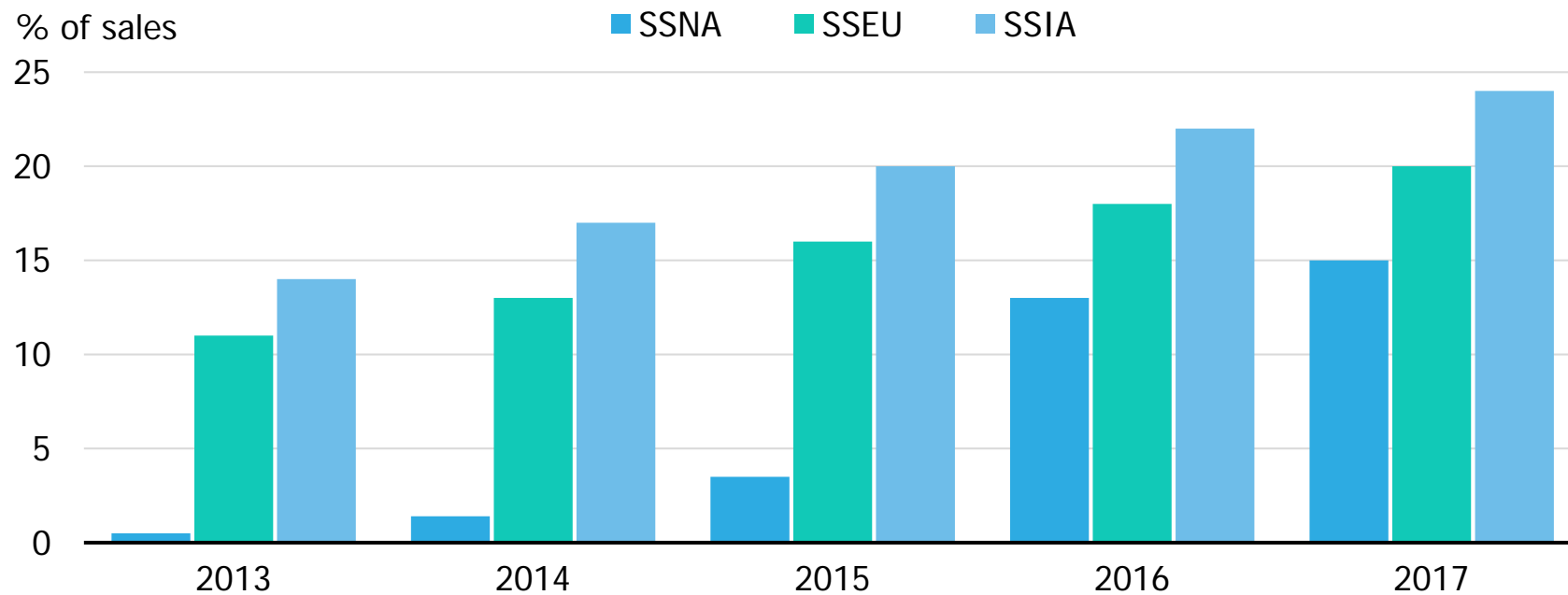
Security solutions and electronic security
– Sales, BSEK

2013: 5.0 → 2017: 16.7



...generating double digit real growth for our security solutions and electronic security

	2013	2014	2015	2016	2017
Real growth y-o-y		+28%	+38%	+56%	+19%
Group, % of sales	8	9	11	16	18



13 countries now have >30% of sales in security solutions and electronic security

SS&ES % of total sales*	2013	2017	Evolution
40-50%	-	3	+3
30-40%	4	10	+6
20-30%	5	8	+3
10-20%	6	14	+8
0-10%	36	16	-20

In 2017 we have a total of 13 countries >30% SS&ES
In 2013 we had 4 countries

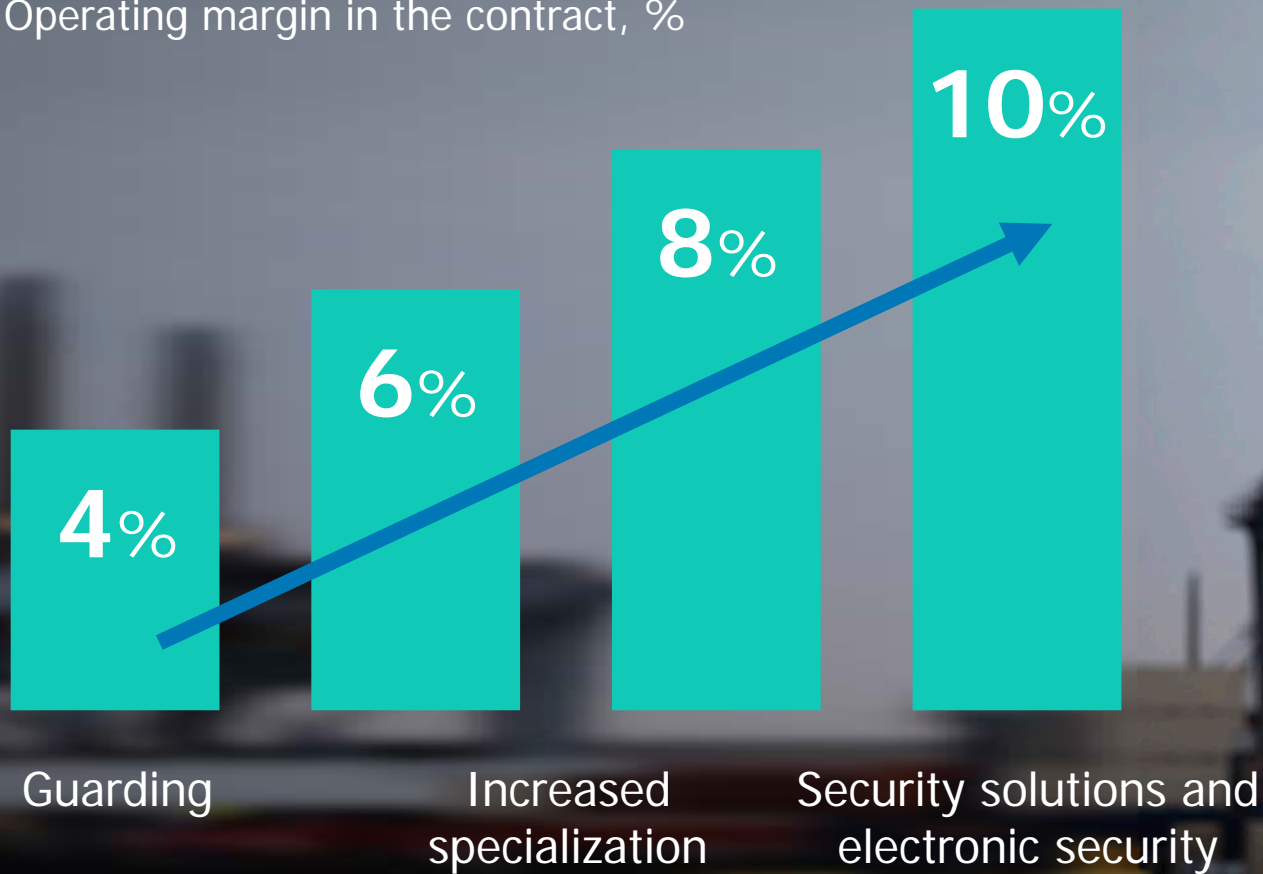
* Measured for 51 relevant units

A strong evolution across countries, increasing security solutions and electronic security as a % of total sales



While the operating margin doubles in solutions contracts...

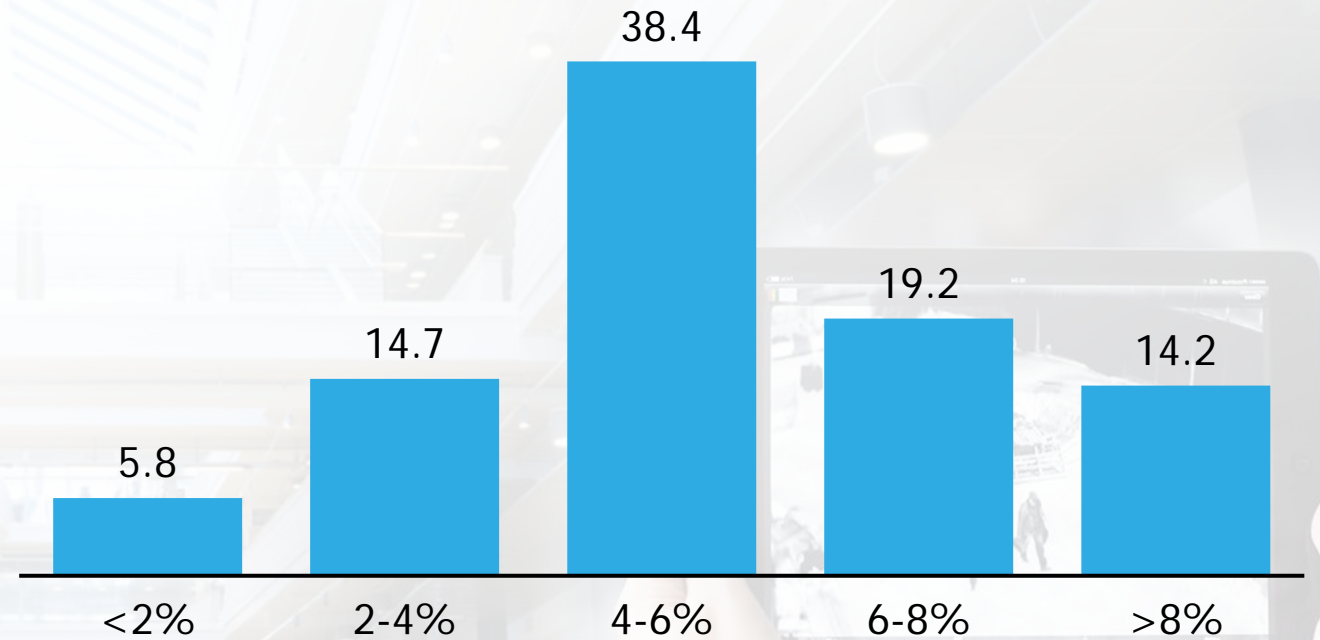
Operating margin in the contract, %



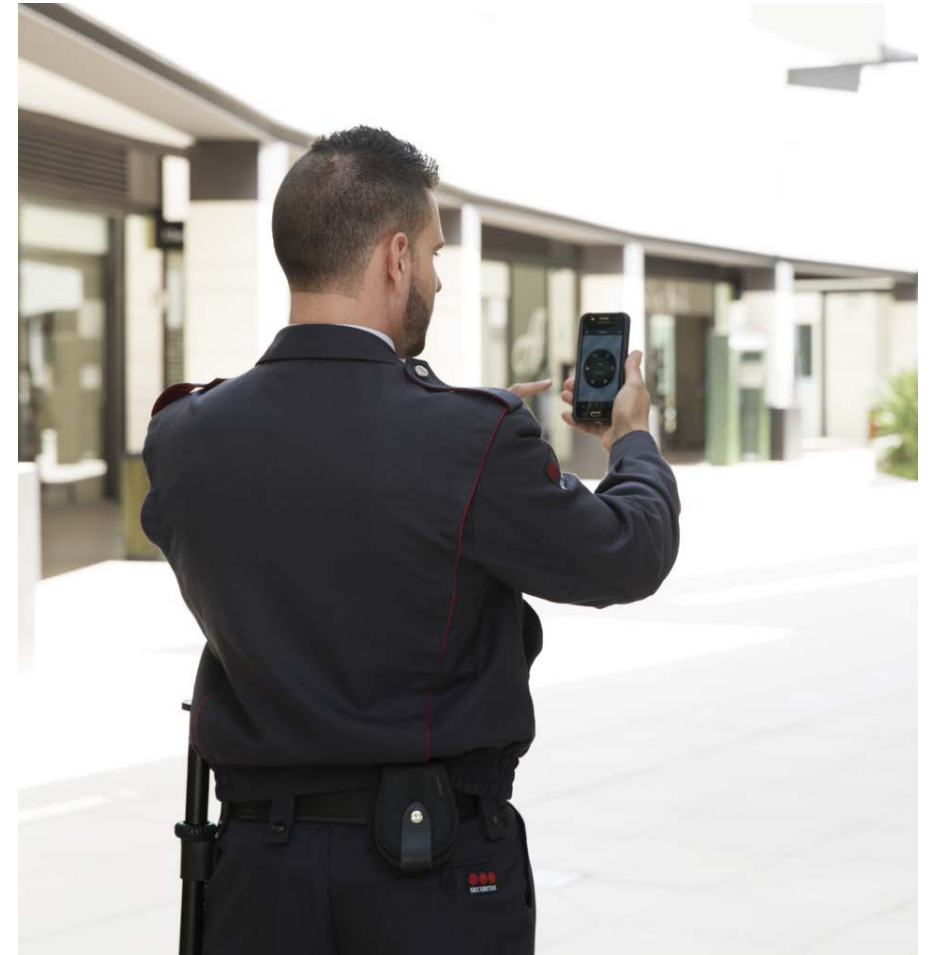
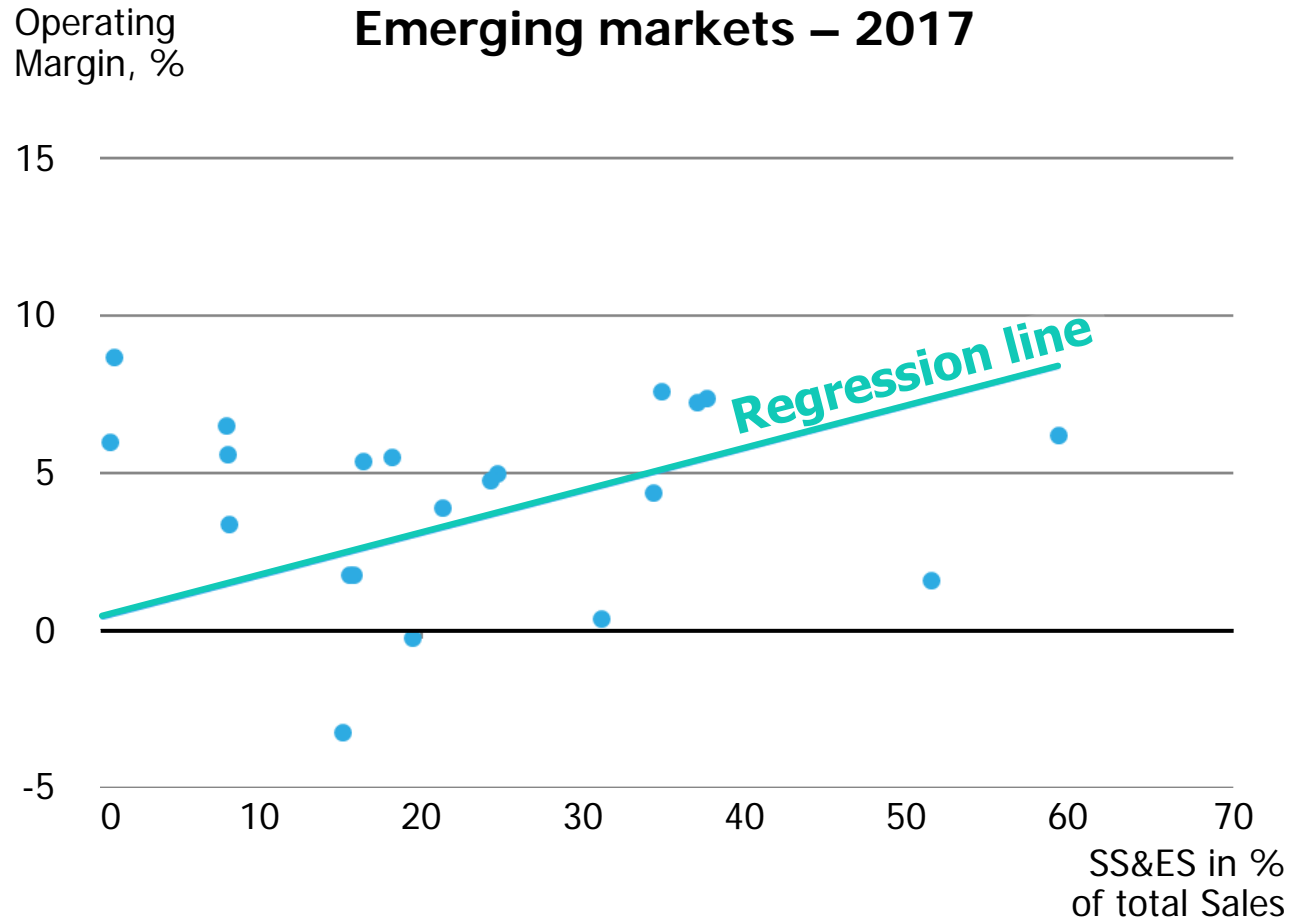
...there are other key margin drivers as well, resulting in different levels of performance



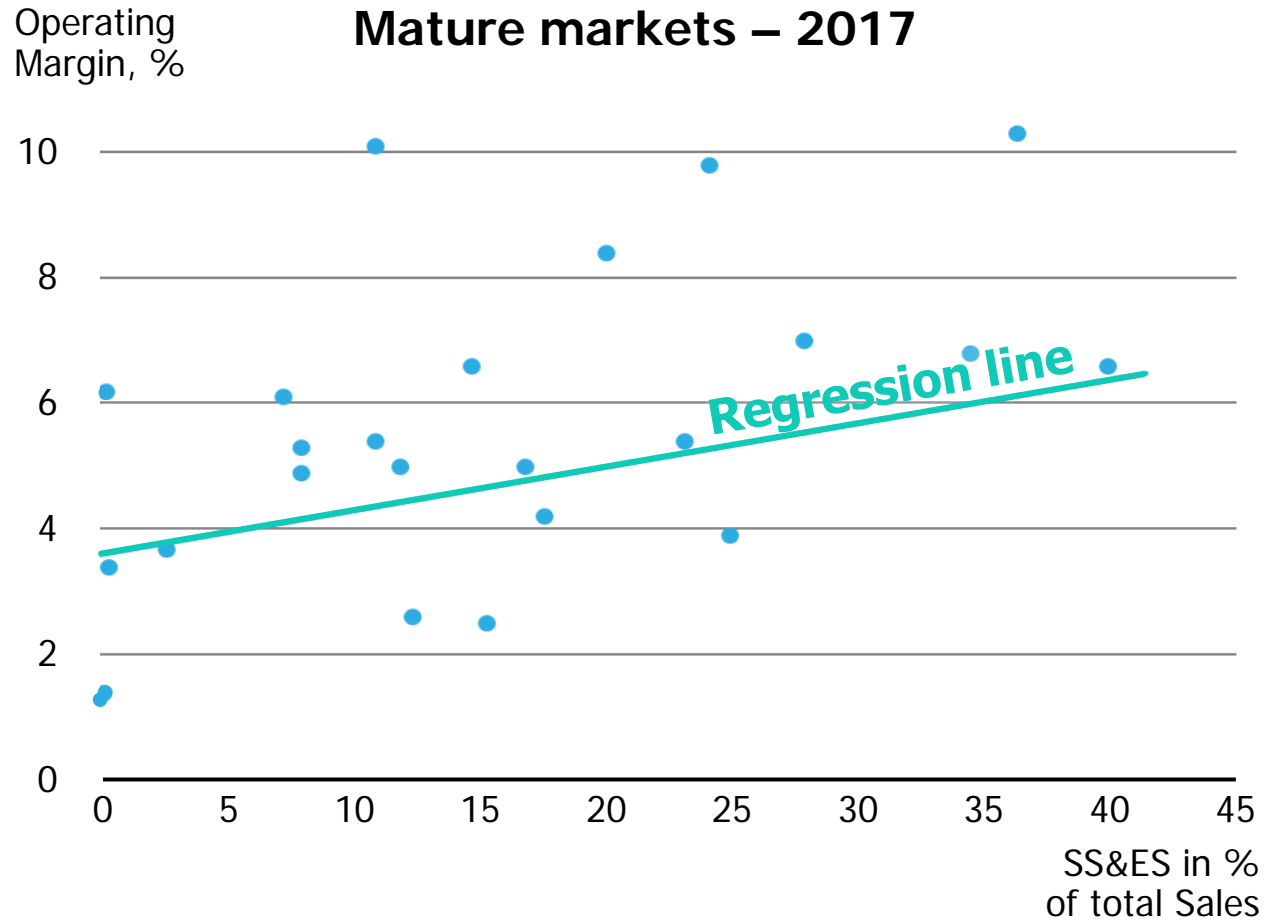
Distribution of sales in BSEK in countries / regions according to operating margin performance



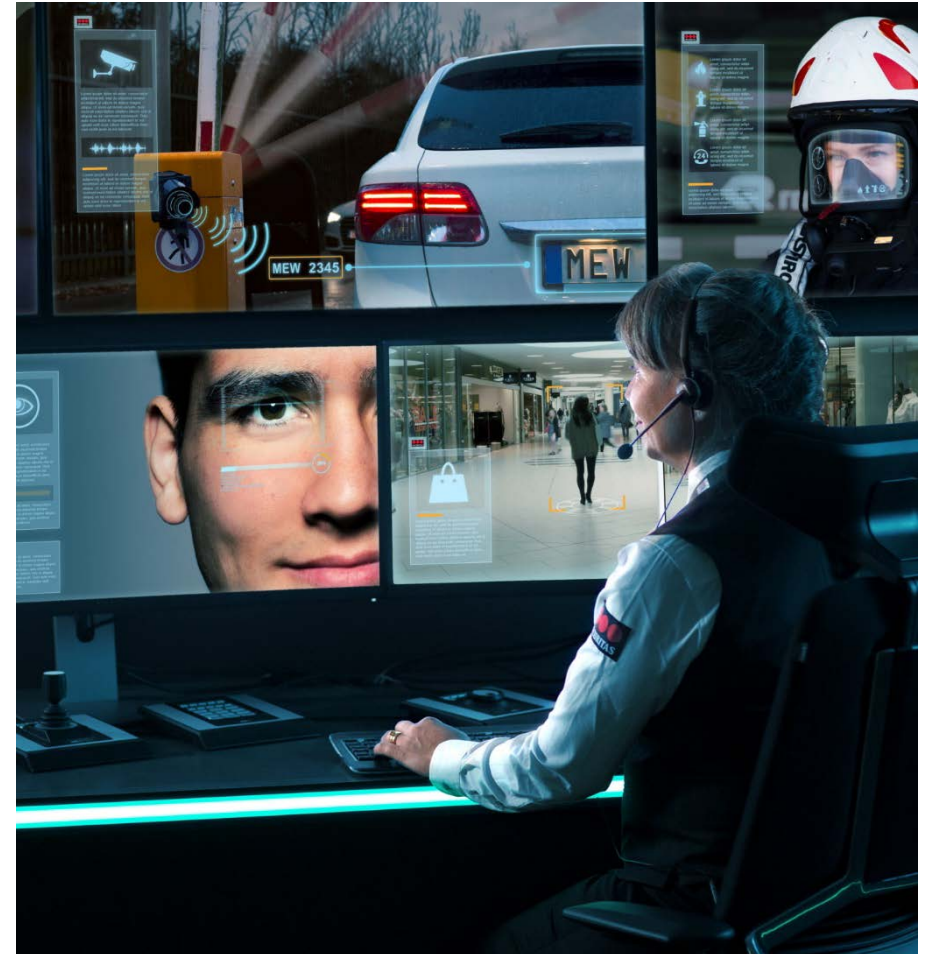
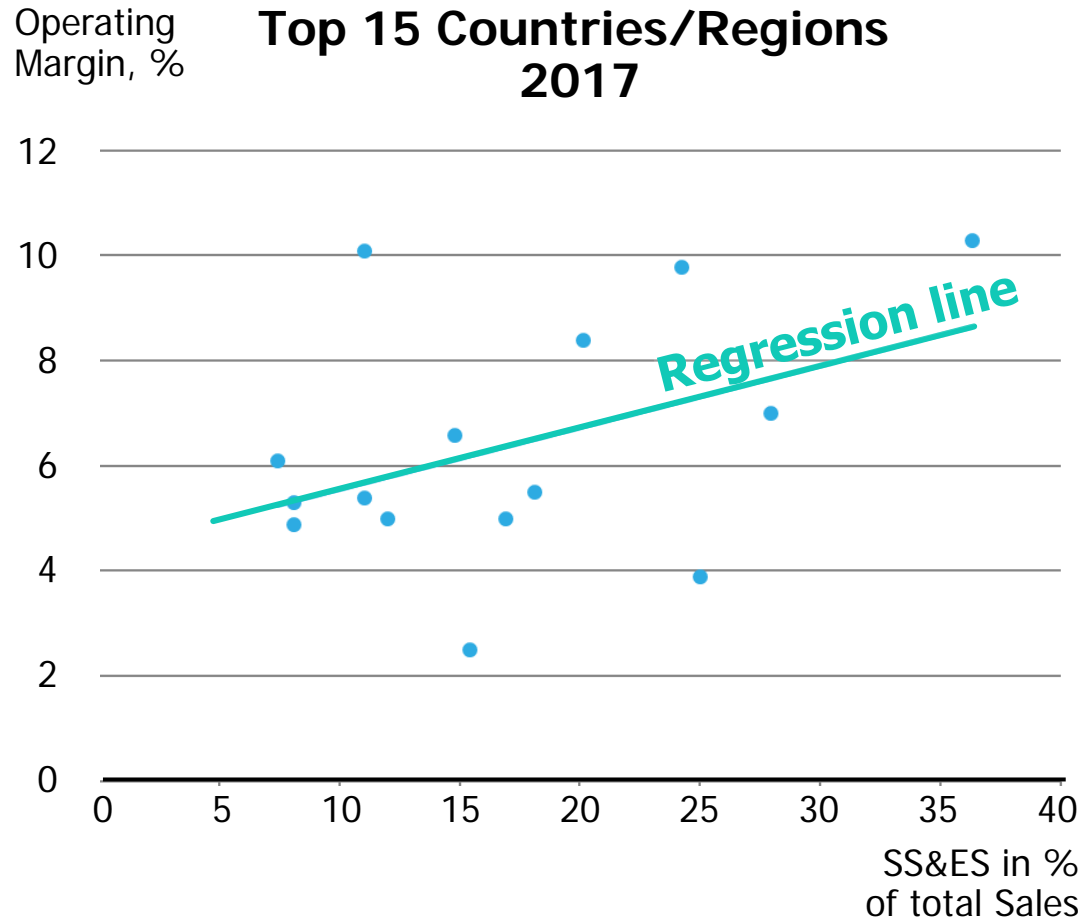
Operating margins and SS&ES sales show a positive correlation in emerging markets...



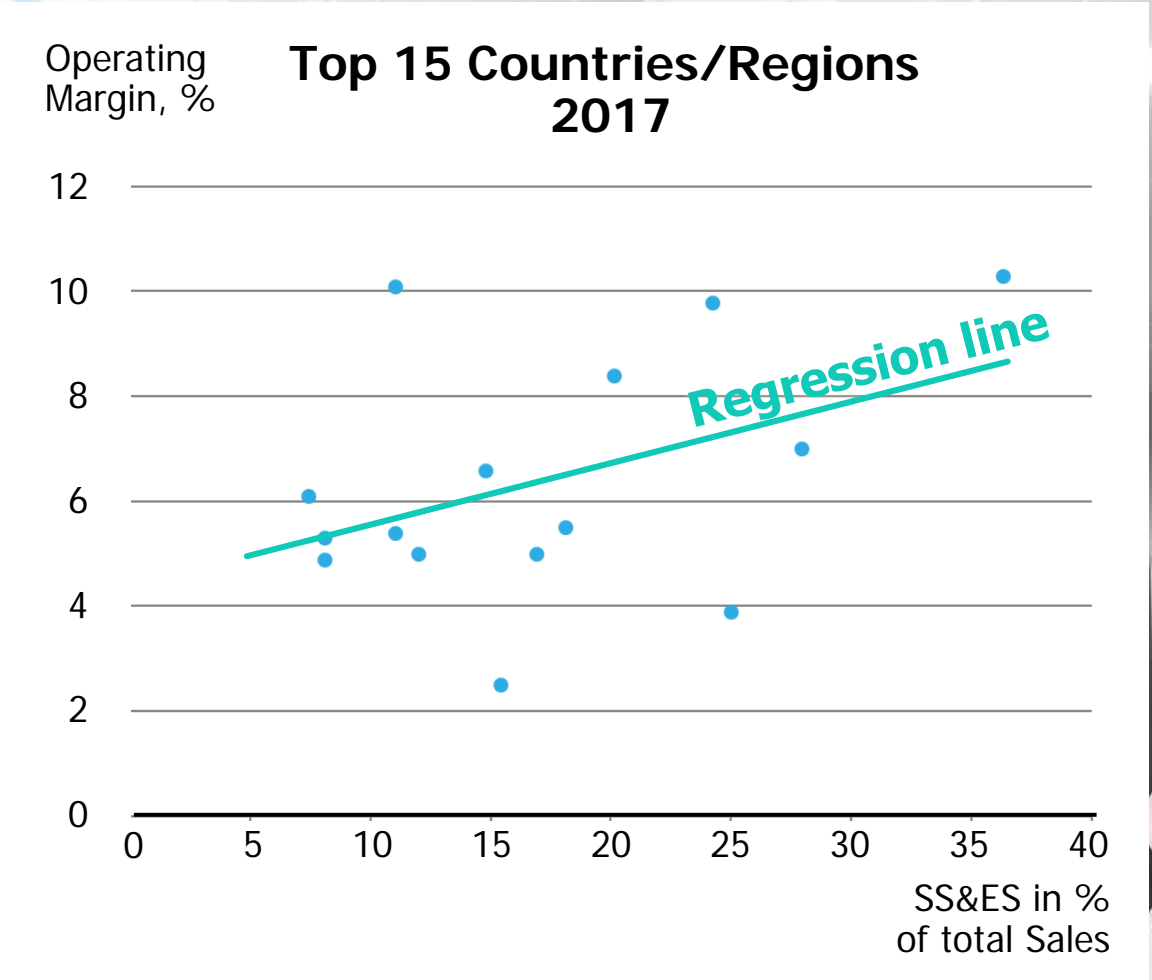
...as well as in mature markets



...and the same is evident in our top 15 markets

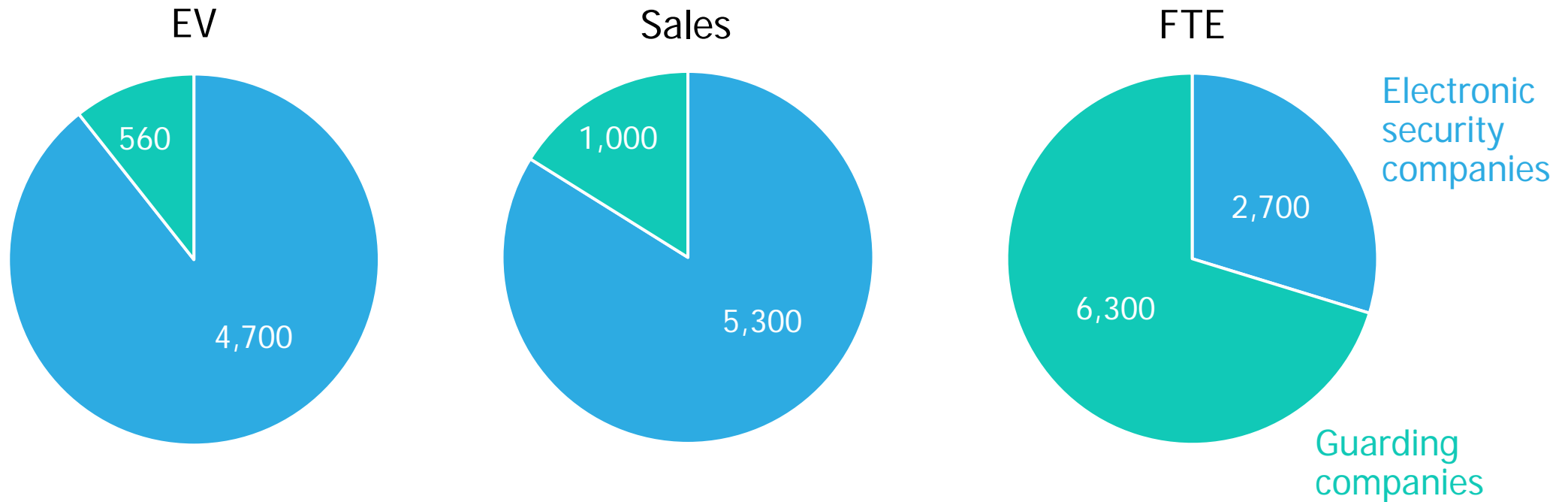


As a summary: different drivers, clear impact from security solutions and electronic security



We have a focused acquisition strategy for growth...

Acquisitions 2013-2018 H1, MSEK (rounded)



Capability to further acquire and integrate

...backed up with solid financing

Recent funding activity

- MEUR 300 bond issued in March 2018, maturity March 2025 with coupon of 1.25%
- In replacement of maturing bond March 2018

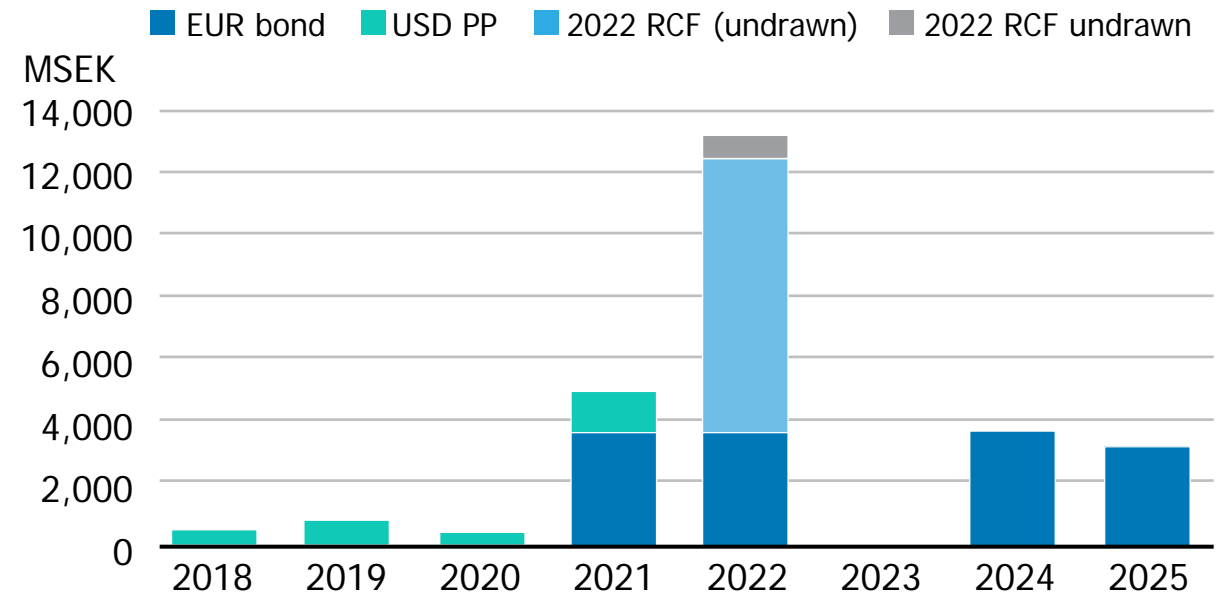
	2013	2014	2015	2016	2017
Net Debt, MSEK	9,610	10,422	9,863	13,431	12,333
Net Debt / EBITDA	2.2	2.3	1.9	2.4	2.1

Committed to solid investment grade rating

- ✓ BBB, stable outlook
- ✓ Ample rating headroom
- ✓ Significant undrawn committed funding 8.8 BSEK
- ✓ No financial covenants

Strong Bank Group

BBVA	Danske	ING	SEB
Citibank	DnB	KBC	SocGen
Commerzbank	HSBC	Nordea	Unicredit



We are creating value

From 2013...

Building a tech
platform

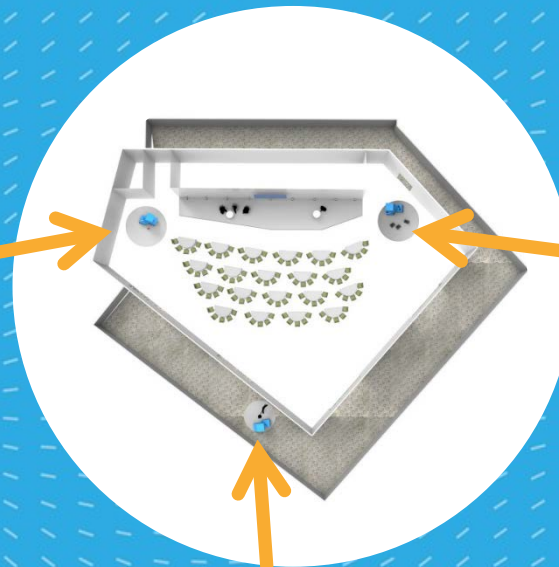
To now ...

Leveraging the
tech platform for
future growth

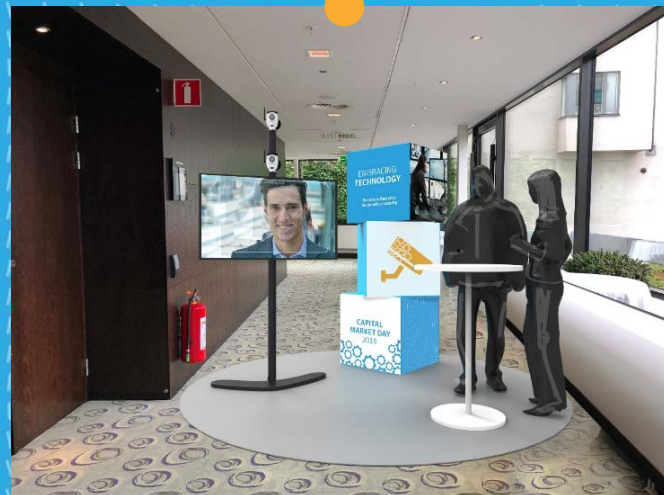
Break – 20 min – Experience stations



Virtual Reality for efficient training in Fire and Safety



Moving sensors/cameras

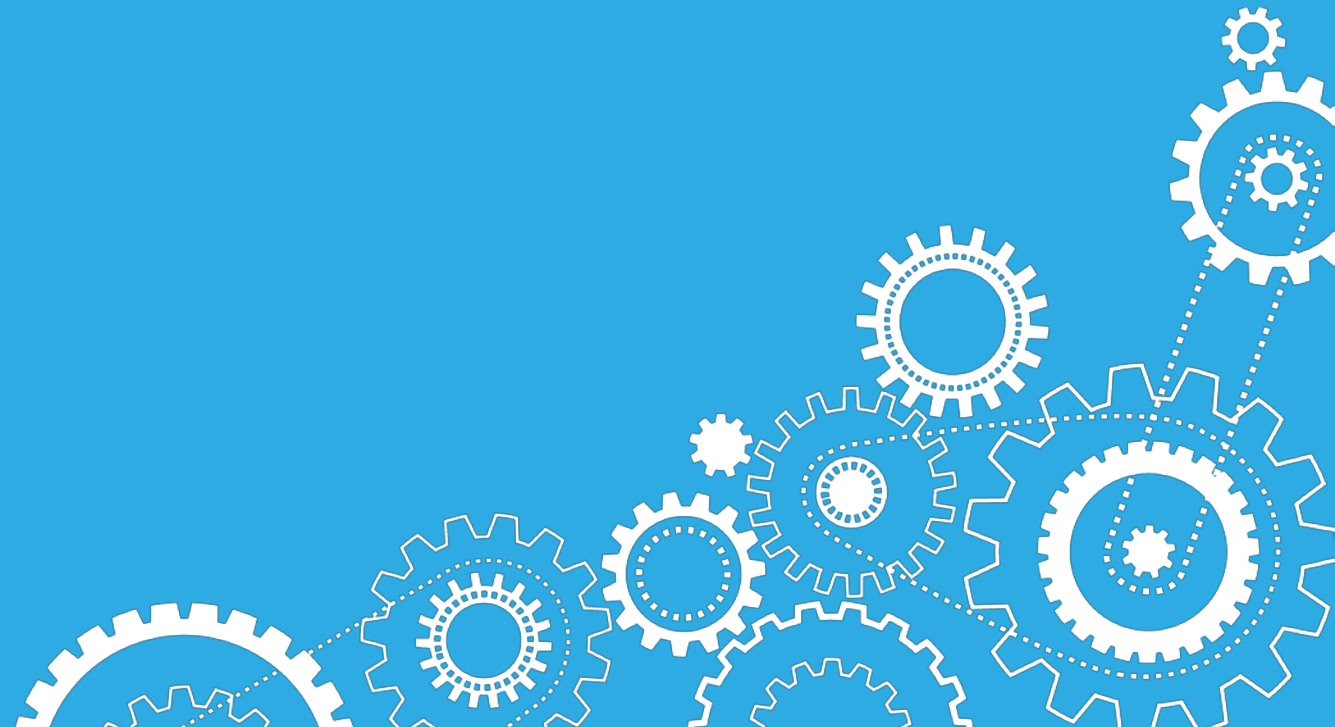


Sensors and analytics for proactive security



Delivering 2020 strategy and shaping the future strategy

Magnus Ahlqvist
President and CEO



Securitas has a strong and leading position in the security services industry today, an industry that offers significant growth opportunities in the future.



We are in a strategy review process

Delivery at present

How to continue to strengthen and deliver results in our core businesses today

Growth and innovation

How to accelerate growth through the new and exciting opportunities emerging in the areas of security and risk

Delivering on the Vision 2020 strategy



Key focus areas in the near term

Customer
value
proposition

Protective
services
leadership

Modernization
and
efficiency



We have significant opportunities to scale up our customer relationships

Strengths

Strong local and global market presence

Knowledge and risk analysis

Protective services offering

Compliance and ethics

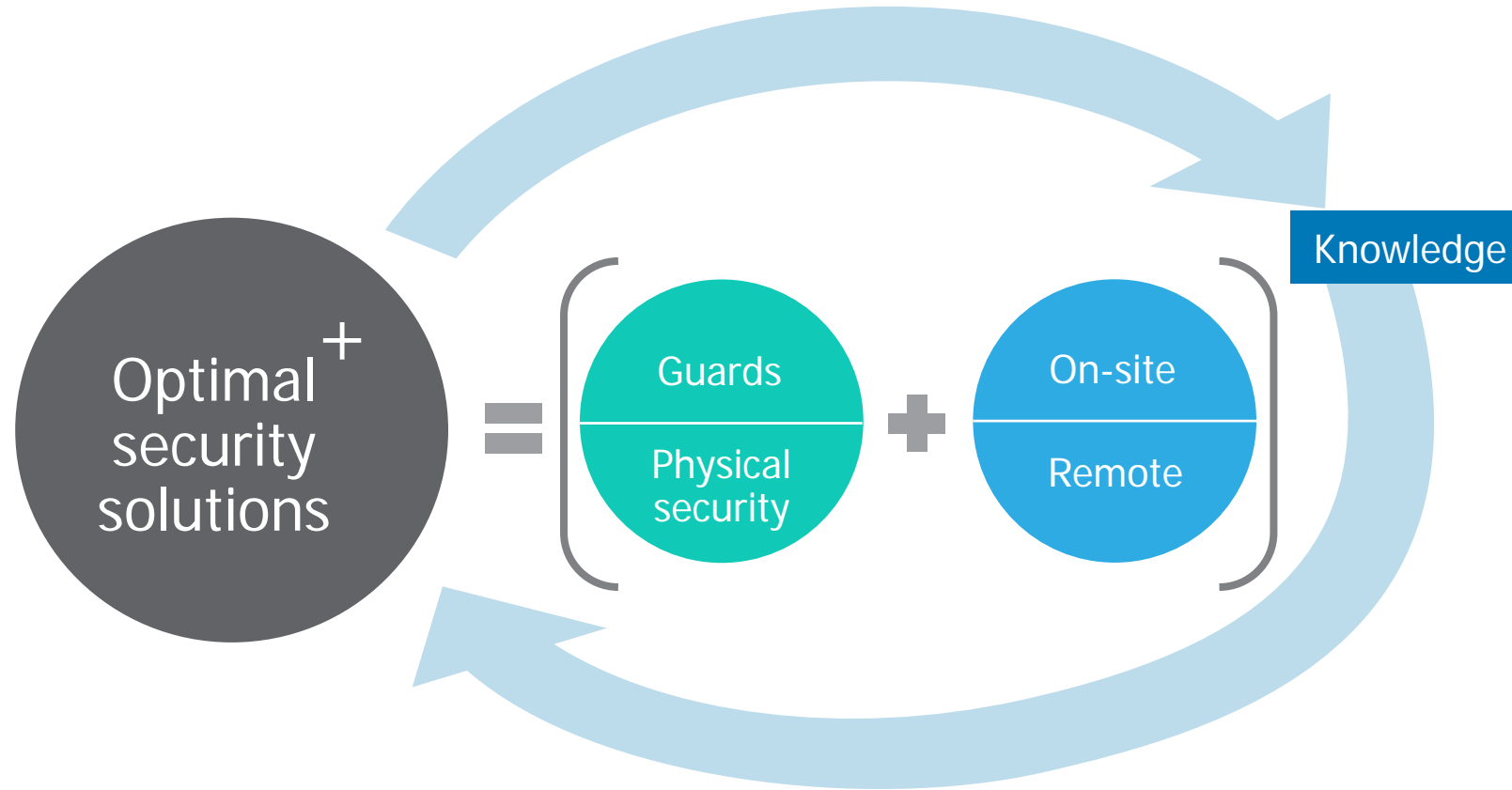
Focus areas

Customer centricity and engagement

Increased segment focus

Leverage global strength to global customer value propositions

We are investing in global knowledge capture to increase customer value



We will continue to strengthen our leading position in protective services

Strengths

Extending guarding to protective services

44 Securitas Operating Centers

Operational excellence

Focus areas

Acceleration of security solutions through standardized solutions

Acquisition of electronic security companies

Specialization of stand-alone services

Innovation capability

Modernizing and strengthening our efficiency across the Group



Focus areas

Modernize IS/IT capabilities

Drive global & divisional synergies – IS/IT and tech

Drive full digitization

Improve efficiency



Now to the exciting opportunities with information and intelligence...

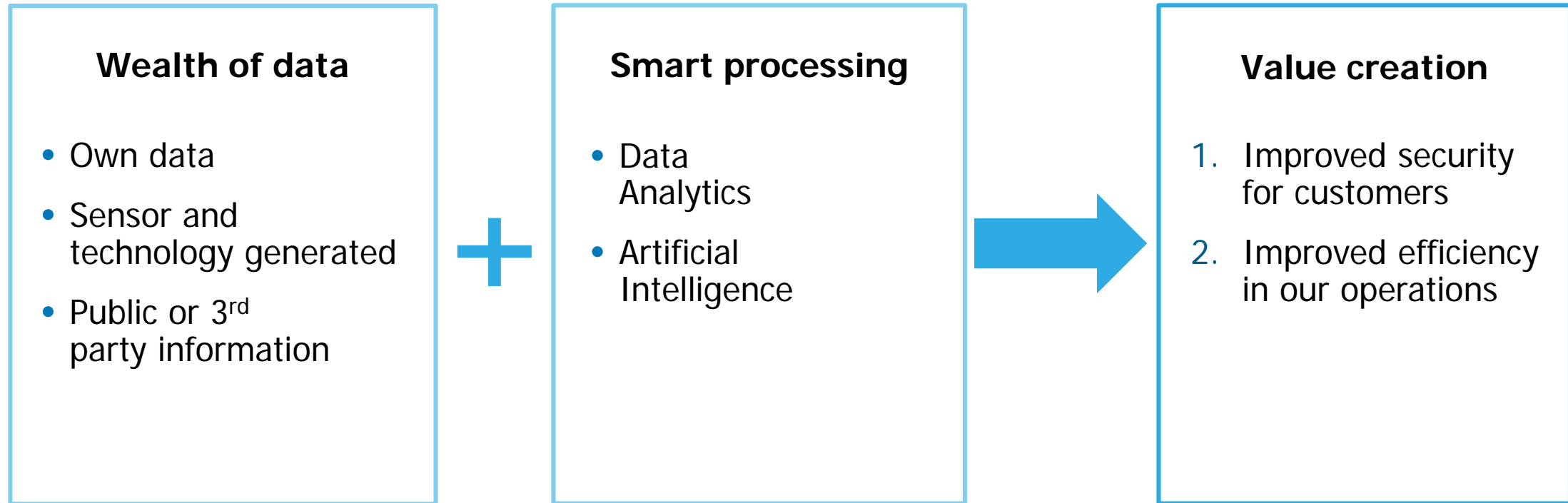




Securitas' foundation is based
on a strong network of
operations around the world.

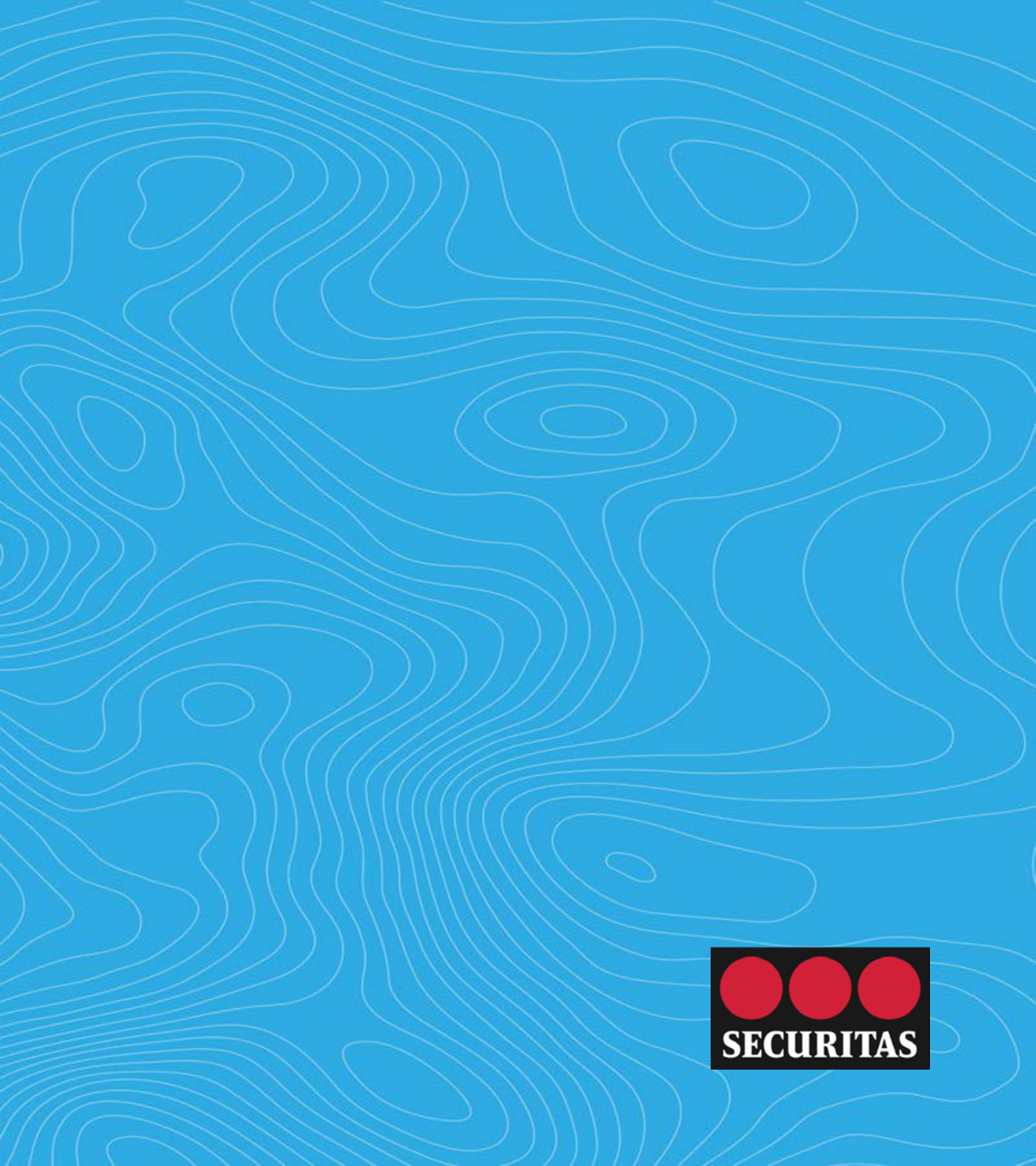
The power of presence

Rich information coupled with smart processing creates value





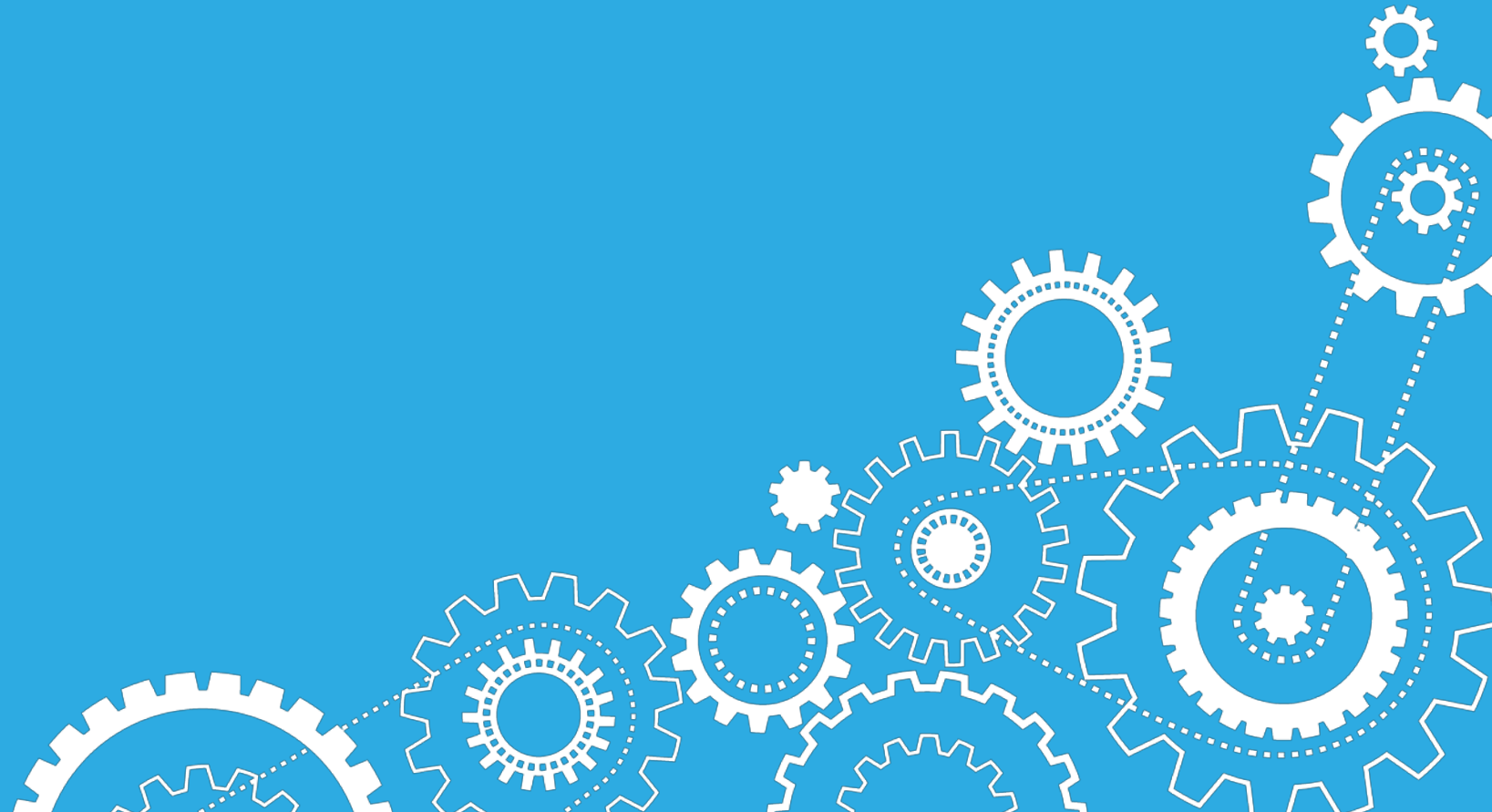
Predict, detect and respond



Accelerating transformation through intelligent security

Martin Althén

Group CIO



What is the future of the security industry...

Future market leadership will be driven by the ability to capture, analyze and respond to rich data.

Deep learning is a game changer

Built in intelligence capturing situations in real time



Capture

Data is the new oil

Advanced intelligence provides insights

Threat intelligence becomes specific and actionable



Analyze

Segment data and find patterns

Machine learning automates response

Automization is driving efficiency, capacity and speed in response



Respond

Actions based on insights

...and what is our intelligent security vision?

We will take the position as the global intelligent security company, leading the transformation of the security industry from low-tech to high-tech

Leader in Intelligent Services
Data-driven innovation

Leader in Protective services
Integration of solutions

Leader in Security services
Guarding and security capability

Why is intelligent security important?

By generating and capturing large data sets from multiple sources and transforming this information into intelligence we will **enhance existing operations and create new business opportunities**

The officer of tomorrow

Technology enhances officers capabilities

The future of sensors

Built in intelligence to analyze complex situations

Crime prediction

Advanced analysis of real-time data from a multitude of sources

The intelligent Securitas Operations Center (SOC)

Machine learning to automate the best response to an incident





LET'S GET PERSONAL

THE OFFICER OF TOMORROW

- Presence through our officers is a key differentiator today and tomorrow
- Officers will be equipped with technology that captures data and enhances their capabilities
- Officers will be connected to each other, to sensors and other technology and to operations centers
- We are hiring and training the best people to become the security officers of tomorrow

DISCOVER THE UNDETECTABLE

THE FUTURE OF SENSORS

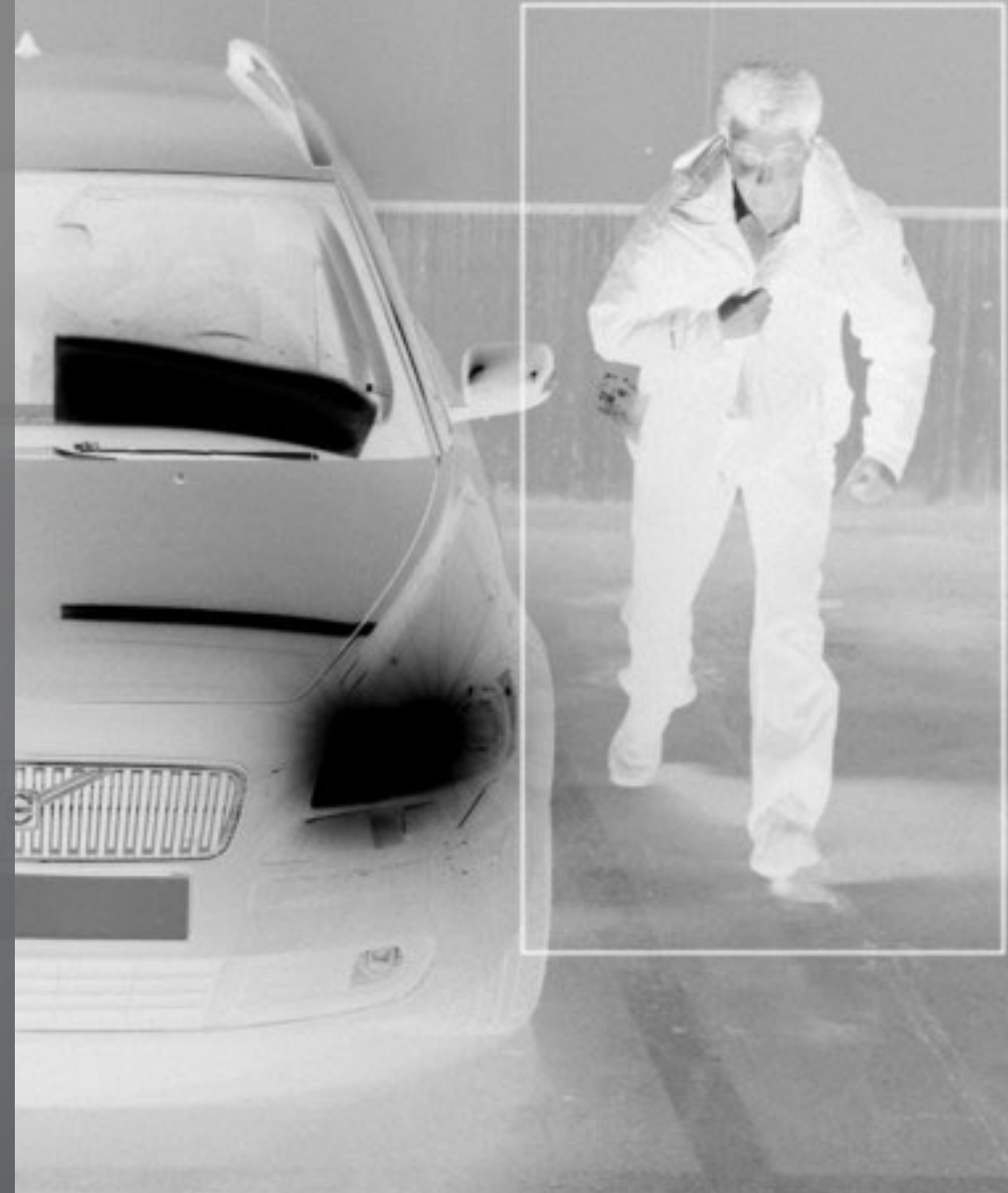
- Multiple connected sensors including wearable and autonomous to create a rich event picture
- Smart cameras with built in intelligence to analyze complex situations
- Enabling people to evaluate the situation and respond in the best way
- Sensors and 5G technology will disrupt the security delivery model



BEING PROACTIVE

CRIME PREDICTION

- Prevention by prediction through superior data and intelligence
- Increased trust and perceived value through timely actions and communication
- Efficient delivery of services by utilizing resources only where necessary



SIMPLIFYING THE COMPLEX

THE INTELLIGENT SOC

- The center of connectivity, the point where data turns into insights and response
- Machine learning to automate the best response to an incident
- A standardized, cloud based and global platform
- Supporting our customers and operations seamlessly anywhere, anytime

...and this is already being rolled out in 3 programs

OUR ROADMAP FOR
INTELLIGENT SECURITY

INNOVATE for the future
Research and innovation



BUILD for tomorrow
Product development and management



OPTIMIZE for today
Technology transformation



Program 1 – Optimize for today



Improve operational
IT efficiency



Modernize and standardize
strategic IS services



Establish future-proof
core platforms

A multi-year roadmap to consolidate, rationalize and modernize our IS/IT delivery

- Global collaboration platform
- Shared data centers and cloud platforms
- Enterprise systems
- Cyber Security

Program 2 – Build for tomorrow



Improve
operational efficiency



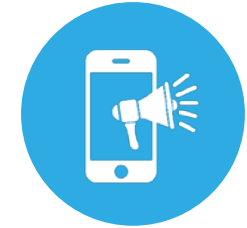
Accelerate
DataCapture



Digitize the
customer experience



Add new services in
Securitas portfolio



Build differentiation
and digital brand

Product roadmaps for differentiating digital technologies

- Optimization
- Predictive analytics
- Interactive security services

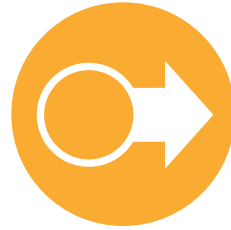
Program 3 – Innovate for the future



Foster innovation culture
and partnerships



Manage Research areas
and Incubation



Customer co-creation
programs

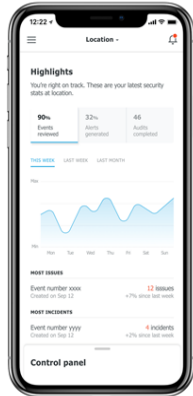


Run Speedboat
projects

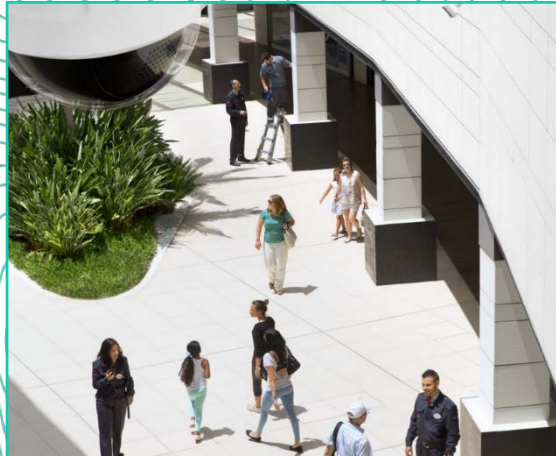
Long-term global innovation and short-term acceleration

- Video analytics
- Intelligent security platform
- Business model innovation
- Robotics

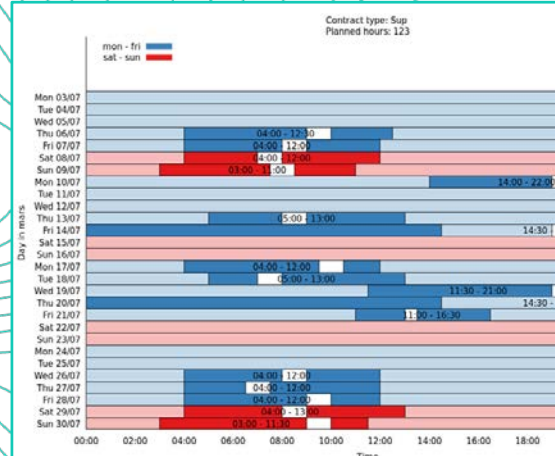
Four product areas in action – one holistic customer experience



THE DIGITAL
CHANNEL



CRIME
PREDICTION



INTELLIGENT
SCHEDULING



VIDEO
ANALYTICS

We are executing on a multi-year transformation journey

1 We have a clear and bold vision on Intelligent Security

2 We have a strong foundation to build and scale next-generation services

3 We already have several promising, early stage projects







Q&A

Strong platform for future growth



Leader in Intelligent Services
Data-driven innovation

Leader in Protective services
Integration of solutions

Leader in Security services
Guarding and security capability

1990 onwards

2015 onwards

2020 and beyond



Accelerating transformation

